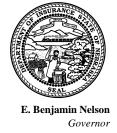
STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

William H. McCartney

Director

December 20, 1993



BULLETIN

SUBJECT: ASSUMPTION REINSURANCE -- NOTICE OF TRANSFER

Pursuant to <u>Neb.Rev.Stat.</u> §44-6205, the Nebraska Department of Insurance hereby prescribes the following format for the *Notice of Transfer* required under the Assumption Reinsurance Act.

The Notice of Transfer proposed to be used must be filed with the Director as part of the prior approval requirements of the Act. Forms utilizing identical or substantially similar language as the following will be approved and deemed to comply with the requirements of the Act.

NOTICE OF TRANSFER

IMPORTANT: THIS NOTICE AFFECTS YOUR CONTRACT RIGHTS. PLEASE READ IT CAREFULLY.

Transfer of Policy

The [ABC Insurance Company] has agreed to replace us as your insurer under [insert policy/certificate name and number] effective [insert date]. The [ABC Insurance Company's] principal place of business is [insert address] and certain financial information concerning both companies is attached, including (1) ratings for the last five years, if available, or for such lesser period as is available from two nationally recognized insurance rating services. If ratings are unavailable for any year of the five-year period, this shall also be disclosed; (2) the annual statement balance sheet as of December 31 for the previous two years, if available, or for such lesser period as is available and as of the date of the most recent quarterly statement; and (3) an explanation of the reason for the transfer. If you request it, a copy of the Management's Discussion and Analysis which was filed as a supplement to the previous year's annual statement will be sent to you at no additional expense to you. You may obtain additional information concerning [ABC Insurance Company] from reference materials in your local library or by contacting your insurance department at [insert address].

The [ABC Insurance Company] is licensed to write this coverage in your state.

Your Rights

You may choose to consent to or reject the transfer of your policy to [ABC Company]. If you want your policy transferred, you may notify us in writing by signing and returning the enclosed preaddressed postage-paid card or by writing to us at:

[Insert name, address and facsimile number of contact person.]

Payment of your premium to the assuming company will also constitute acceptance of the transaction. However, a method will be provided to allow you to pay the premium while reserving the right to reject the transfer.

If you reject the transfer, you may keep your policy with us or exercise any option under your policy. If we do not receive a written rejection you, as a matter of law, will have consented to the transfer. However, before this consent is final you will be provided a second notice of the transfer twelve months from now. After the second notice is provided, you will have two months to reply. If you have paid your premium to the [ABC Insurance Company], without reserving your right to reject the transfer, you will not receive a second notice.

Effect of Transfer

If you accept this transfer, [ABC Insurance Company] will be your insurer. It will have direct responsibility to you for the payment of all claims, benefits and for all other policy obligations. We will no longer have any obligations to you.

If you accept this transfer, you should make all premium payments and claims submissions to [ABC Insurance Company] and direct all questions to [ABC Insurance Company].

If you have any further questions about this agreement, you may contact [XYZ Insurance] or [ABC Insurance].

Sincerely,

[XYZ Insurance Company 111 No. Street Smithville, USA 555/555-5555] [ABC Insurance Company 222 No. Street Jonesville, USA 333/333-3333] For your convenience, we have enclosed a pre-addressed postage-paid response card. Please take time now to read the enclosed notice and complete and return the response card to us.

[Notice Date]

RESPONSE CARD	
	Yes, I accept the transfer of my policy from [name of transferring company] to [name of assuming company].
	No, I reject the proposed transfer of my policy from [name of transferring company] to [name of assuming company] and wish to retain my policy with [name of transferring company].
Date	Signature
Name:	
Street Address:	
City, State, Zip:	

WILLIAM H. MCCARTNEY
Director of Insurance